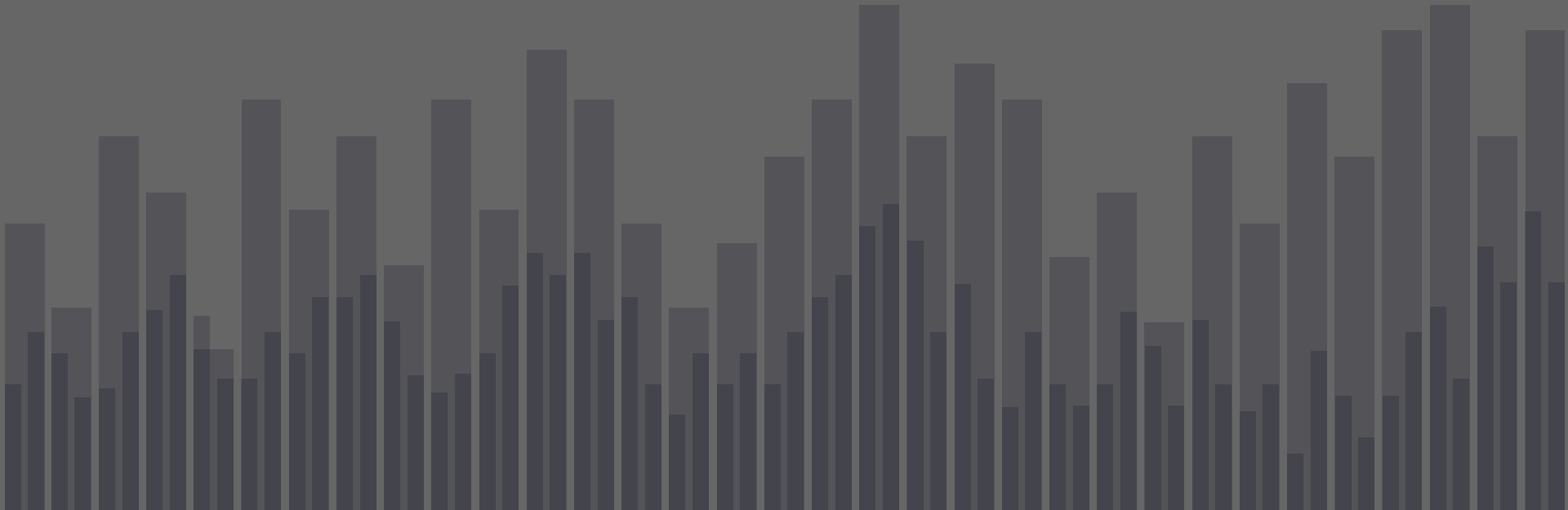
Market Conditions

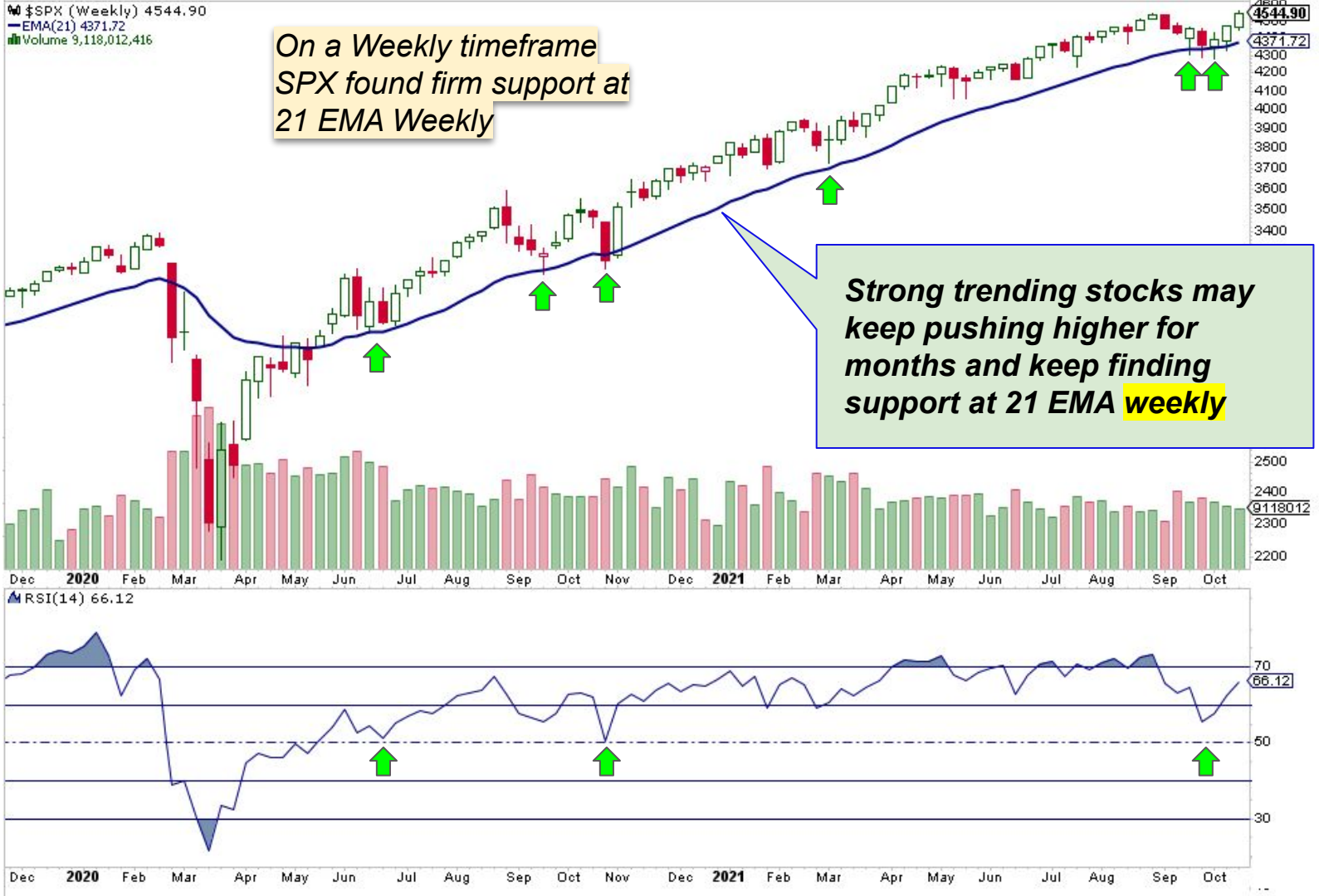
The strategy ***"Buy Strong Trending Stocks on Pullbacks"*** works the best when the market in general is trading up.



Market Conditions

- The strategy “Buy Strong Trending Stocks on Pullbacks” works the best when the market in general is trading up.

- Even in the most bearish conditions some stocks would be able to continue making new higher highs. But in order to avoid unpleasant drawdowns you have to check if the market is in up trending mode.


$SPX (Weekly) 4544.90
EMA(21) 4371.72
Volume 9,118,012,416
On a Weekly timeframe SPX found firm support at 21 EMA Weekly
Strong trending stocks may keep pushing higher for months and keep finding support at 21 EMA weekly
4544.90
4371.72
9118012
RSI(14) 66.12
66.12
70
50
30
Dec 2020 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021 Feb Mar Apr May Jun Jul Aug Sep Oct

Market Conditions

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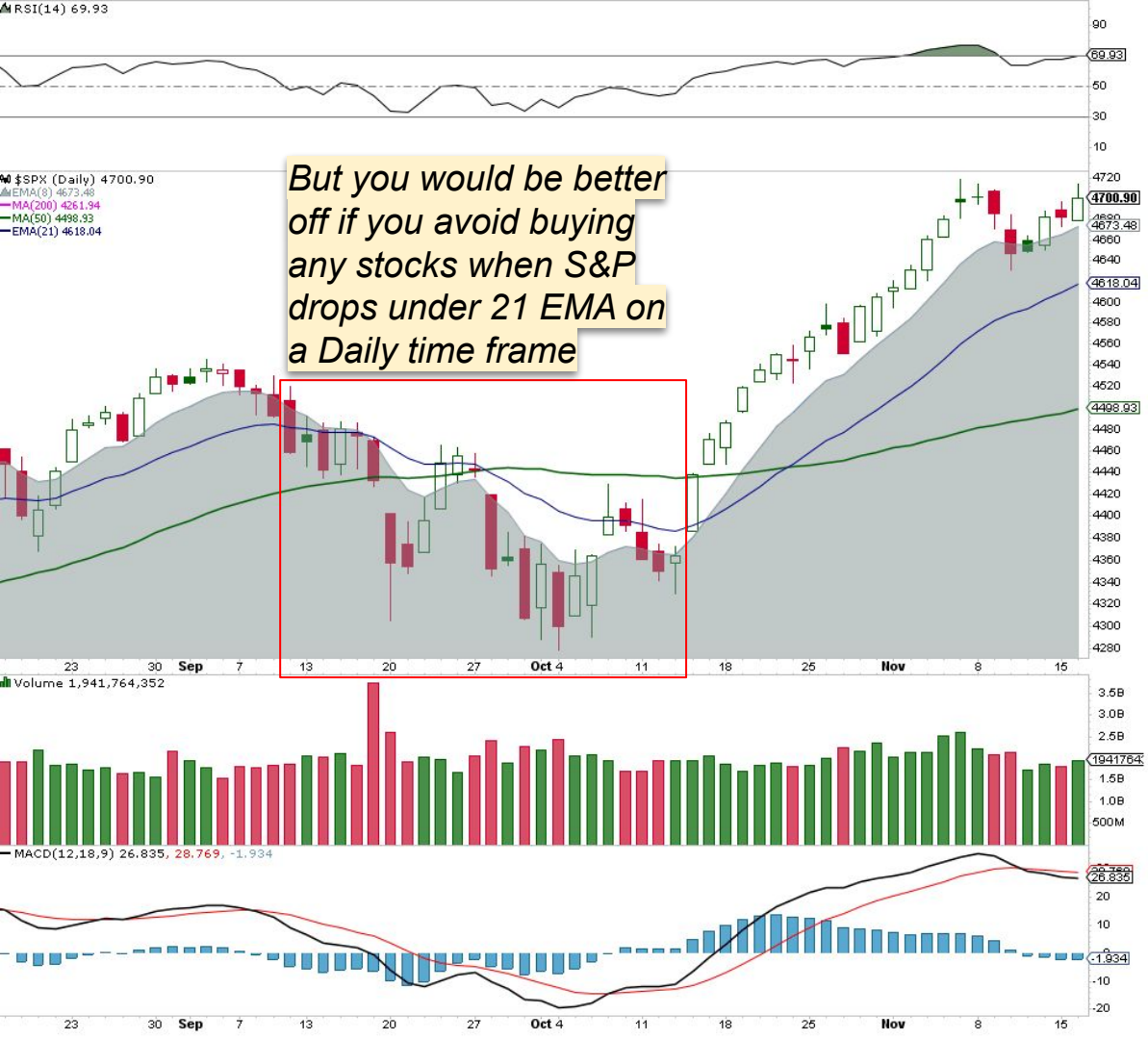
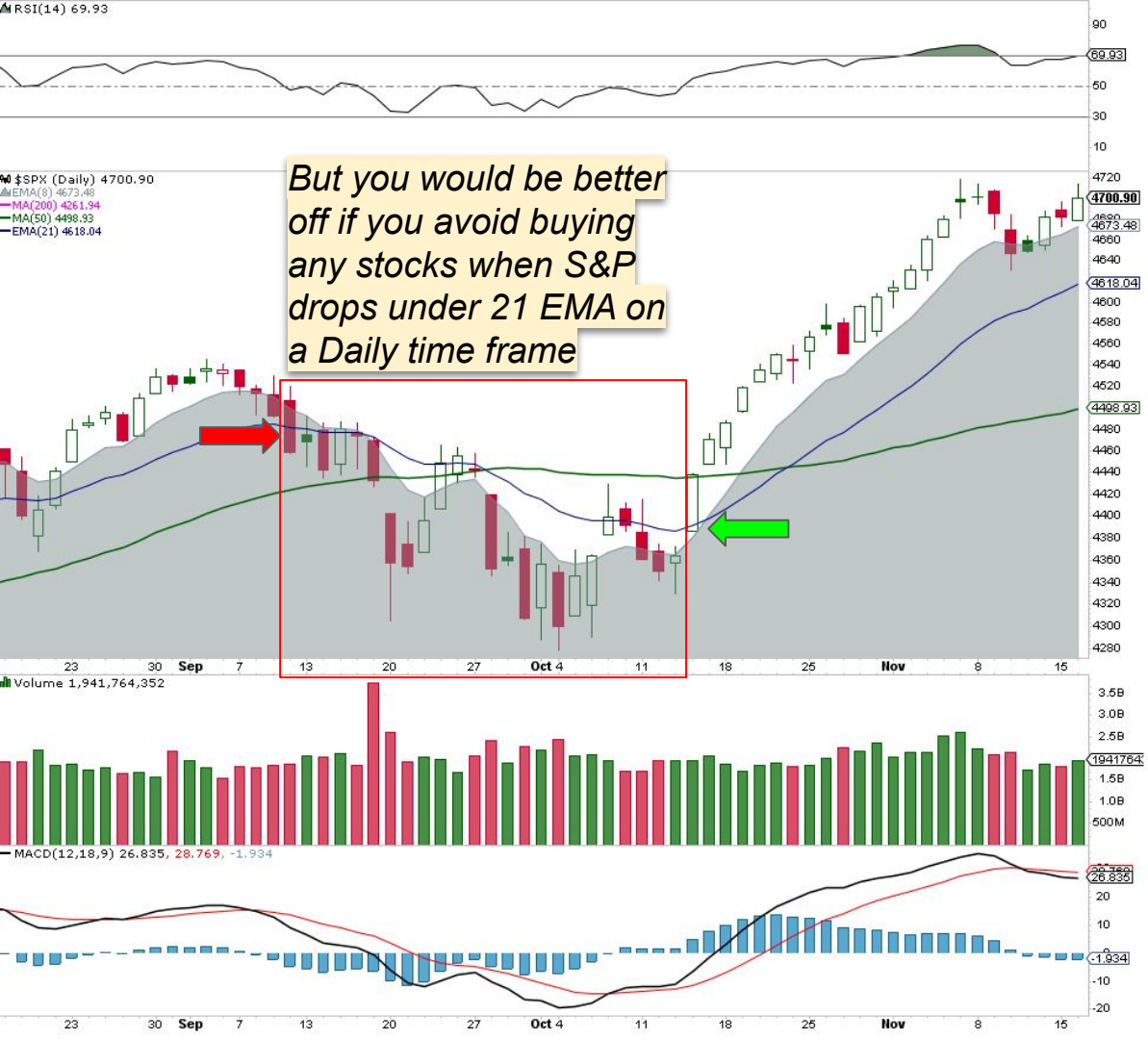
- Even in the most bearish conditions some stocks would be able to continue making new higher highs. But in order to avoid unpleasant drawdowns you have to check if the market is in up trending mode.

- Every evening check if:

  S&P 500 and Nasdaq are over 21 EMA on weekly


RSI(14) 69.93
$SPX (Daily) 4700.90
EMA(8) 4673.48
MA(200) 4261.94
MA(50) 4498.93
EMA(21) 4618.04
But you would be better off if you avoid buying any stocks when S&P drops under 21 EMA on a Daily time frame
Volume 1,941,764,352
MACD(12,18,9) 26.835, 28.769, -1.934
Sep
Oct
Nov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EMA(21) 4618.04
But you would be better off if you avoid buying any stocks when S&P drops under 21 EMA on a Daily time frame
Volume 1,941,764,352
MACD(12,18,9) 26.835, 28.769, -1.934
Sep
Oct
Nov

$NDX Nasdaq 100 Index INDX
© StockCharts.com
Open: 16170.29
High: 16329.50
Low: 16156.69
Prev Close: 16189.12
Ask:
Ask Size:
Bid:
Bid Size:
P/E:
EPS:
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
Tuesday 16-Nov-2021
+0.75%
Chg: +120.65
Last: 16309.77
Volume: 665,930,688
RSI(14) 68.02
$NDX (Daily) 16309.77
EMA(8) 16165.90
MA(200) 14373.01
MA(50) 15421.84
EMA(21) 15909.48
But you would be better off if you avoid buying any stocks when Nasdaq-100 drops under 21 EMA on a Daily time frame
Sep
Oct
Nov

Market Conditions

- The strategy “Buy Strong Trending Stocks on Pullbacks” works the best when the market in general is trading up.

- Even in the most bearish conditions some stocks would be able to continue making new higher highs. But in order to avoid unpleasant drawdowns you have to check if the market is in up trending mode.

- Every evening check if:

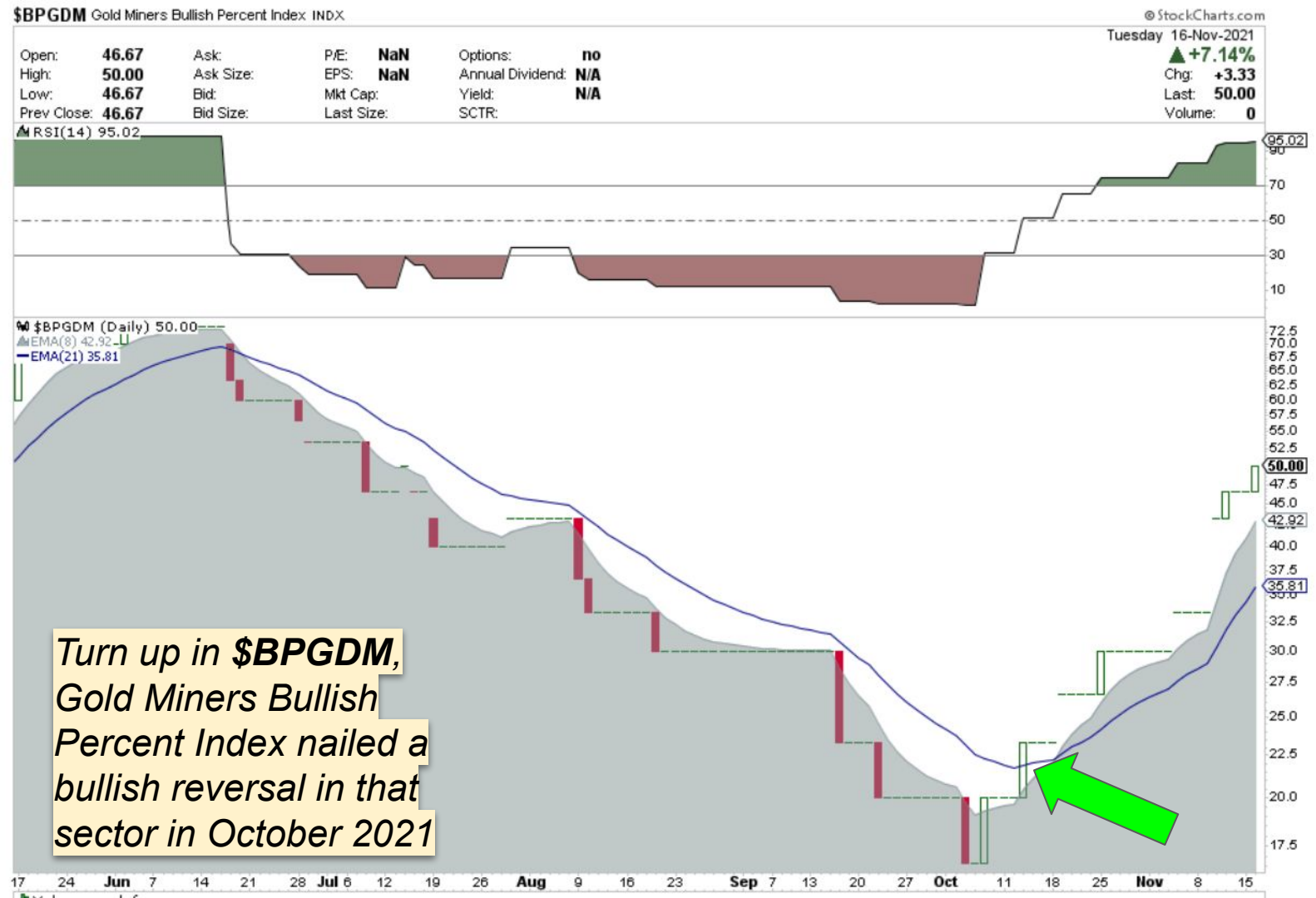
  S&P 500 and Nasdaq indices are over 21 EMA on weekly and over 200 SMA and 21 EMA on daily timeframes

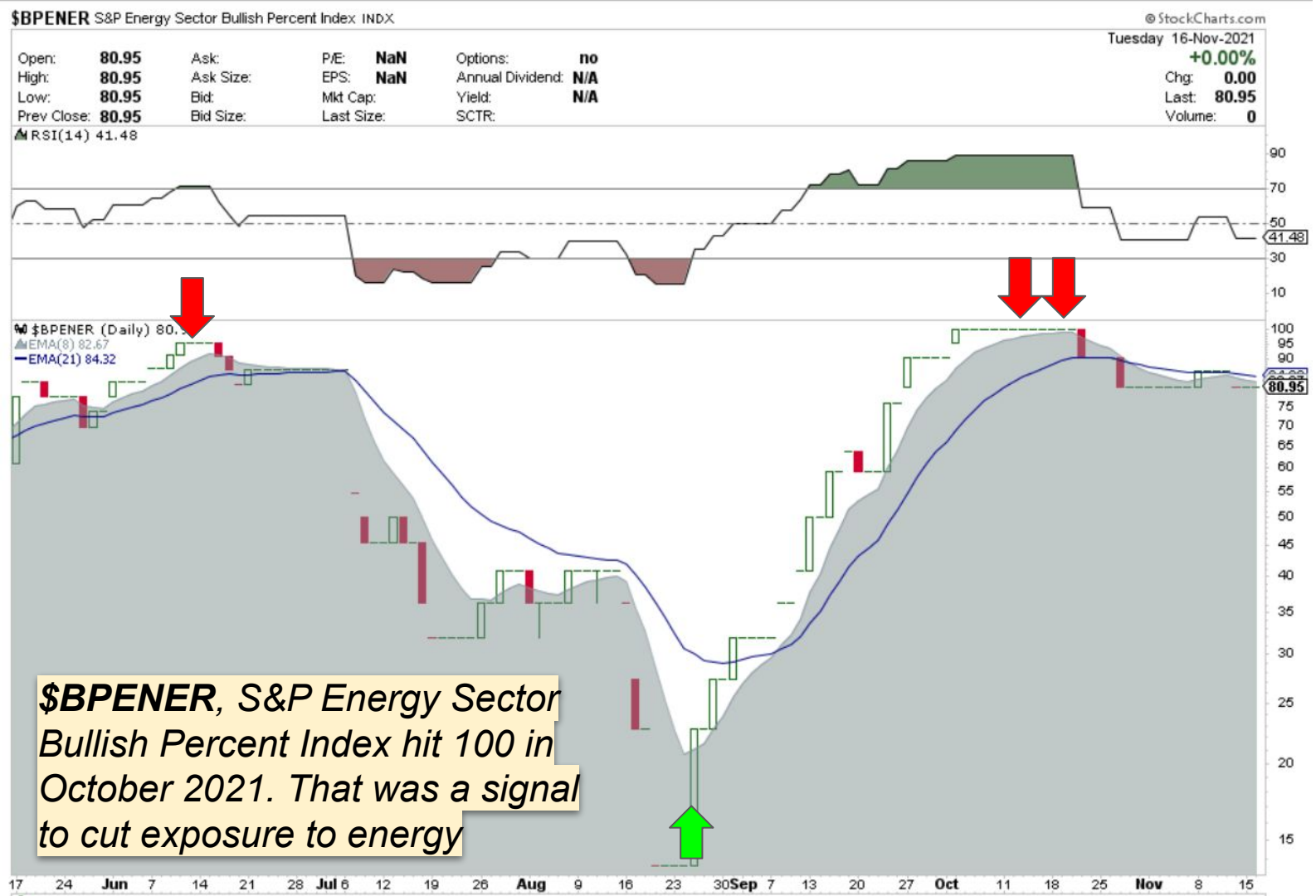
Bullish Percent Index

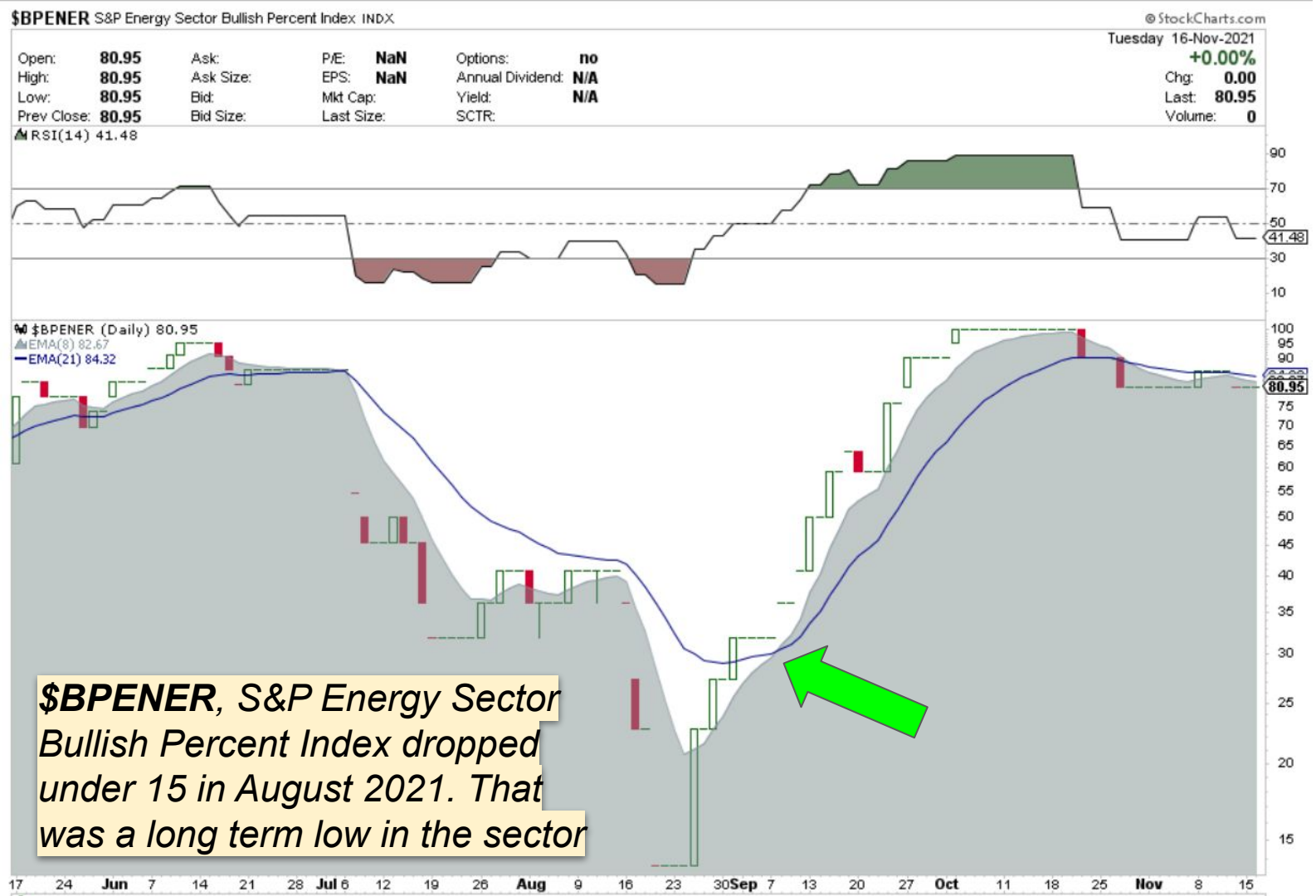
StockCharts.com maintains and publishes the Bullish Percent Index for over a dozen indices and sectors.

The Bullish Percent Index, or BPI, is a breadth indicator that shows the percentage of stocks on Point & Figure Buy Signals.

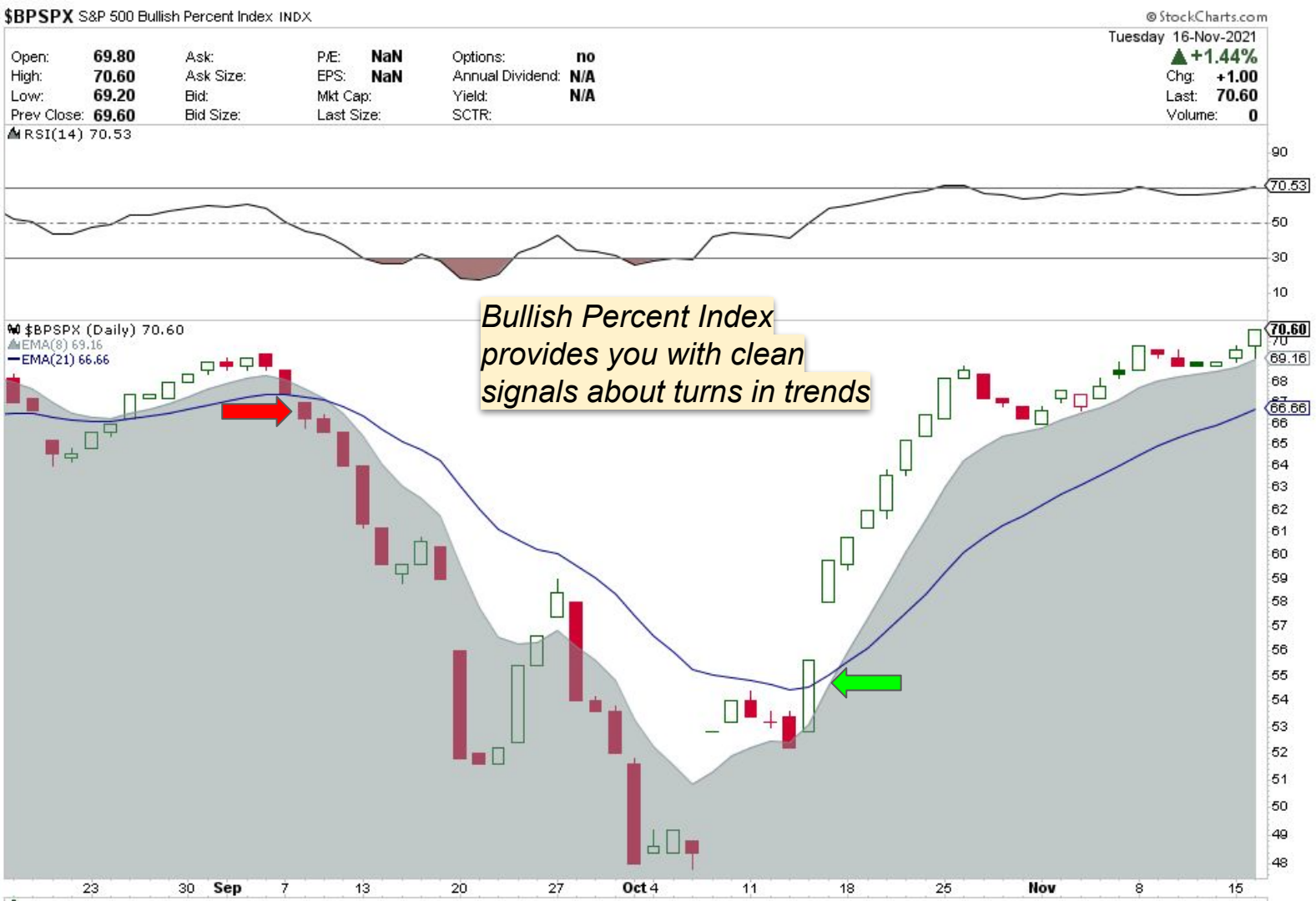
	Name
$BPNDX	Nasdaq 100 Bullish Percent Index
$BPOEX	S&P 100 Bullish Percent Index
$BPSPX	S&P 500 Bullish Percent Index
$BPINFO	S&P Technology Sector Bullish Percent Index
$BPNYA	NYSE Bullish Percent Index
$BPTRAN	DJTA Bullish Percent Index
$BPTSE	TSX Composite Bullish Percent Index
$BPUTIL	S&P Utilities Sector Bullish Percent Index
$BPCOMM	S&P Communication Services Sector Bullish Percent Index
$BPGDM	Gold Miners Bullish Percent Index
$BPHEAL	S&P Healthcare Sector Bullish Percent Index
$BPSTAP	S&P Consumer Staples Sector Bullish Percent Index
$BPFINA	S&P Financial Sector Bullish Percent Index
$BPINDY	S&P Industrials Sector Bullish Percent Index


$BPGDM Gold Miners Bullish Percent Index INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 46.67
High: 50.00
Low: 46.67
Prev Close: 46.67
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
+7.14%
Chg: +3.33
Last: 50.00
Volume: 0
RSI(14) 95.02
$BPGDM (Daily) 50.00
EMA(8) 42.92
EMA(21) 35.81
Turn up in $BPGDM, Gold Miners Bullish Percent Index nailed a bullish reversal in that sector in October 2021
Jun
Jul
Aug
Sep
Oct
Nov

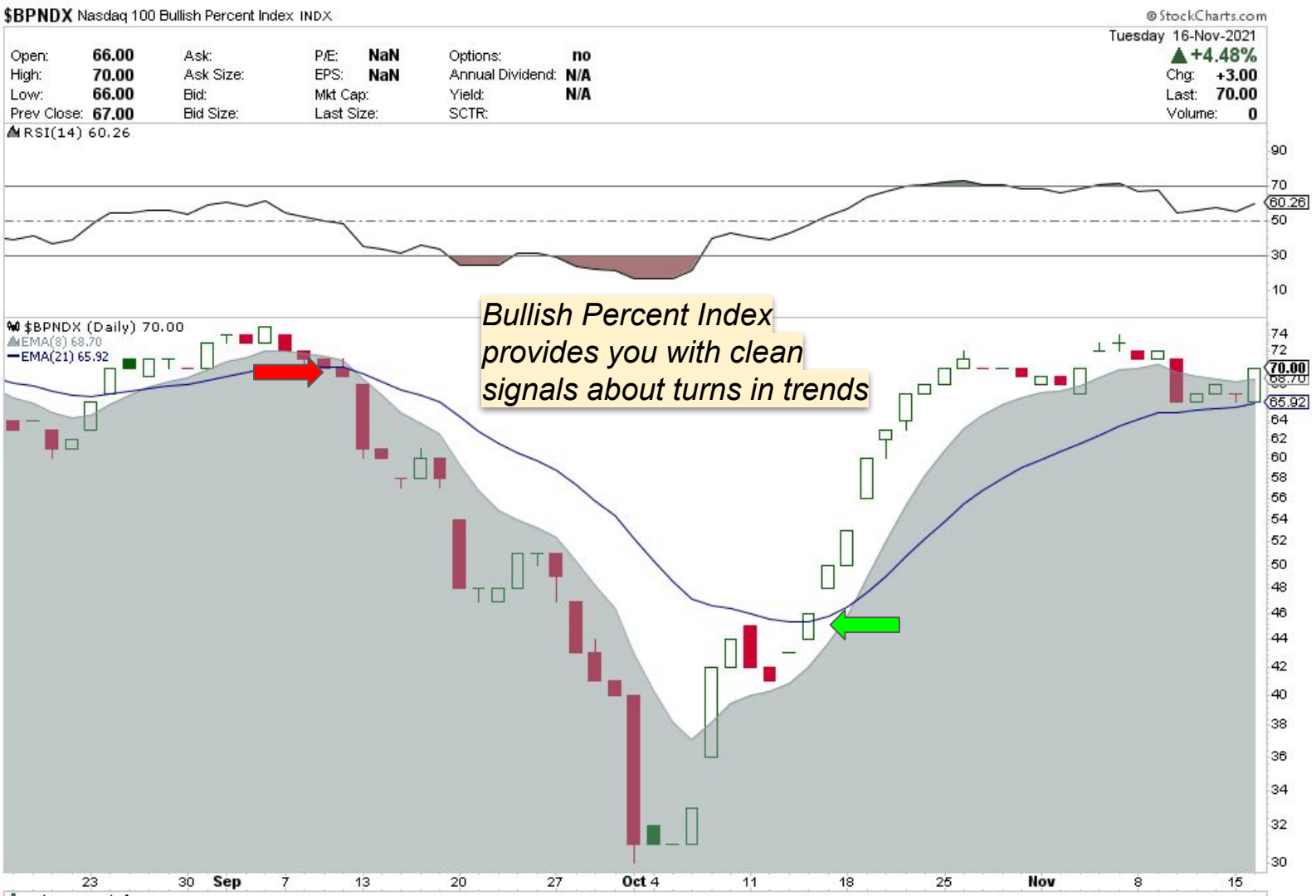

$BPENER S&P Energy Sector Bullish Percent Index INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 80.95
High: 80.95
Low: 80.95
Prev Close: 80.95
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield:
SCTR:
+0.00%
Chg: 0.00
Last: 80.95
Volume: 0
RSI(14) 41.48
$BPENER (Daily) 80.
EMA(8) 82.67
EMA(21) 84.32
$BPENER, S&P Energy Sector Bullish Percent Index hit 100 in October 2021. That was a signal to cut exposure to energy
17 24 Jun 7 14 21 28 Jul 6 12 19 26 Aug 9 16 23 30 Sep 7 13 20 27 Oct 11 18 25 Nov 8 15


$BPENER S&P Energy Sector Bullish Percent Index INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 80.95
High: 80.95
Low: 80.95
Prev Close: 80.95
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
+0.00%
Chg: 0.00
Last: 80.95
Volume: 0
RSI(14) 41.48
$BPENER (Daily) 80.95
EMA(8) 82.67
EMA(21) 84.32
$BPENER, S&P Energy Sector Bullish Percent Index dropped under 15 in August 2021. That was a long term low in the sector
Jun
Jul
Aug
Sep
Oct
Nov

$BPSPX


$BPSPX S&P 500 Bullish Percent Index INDX
©StockCharts.com
Open: 69.80
High: 70.60
Low: 69.20
Prev Close: 69.60
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
Tuesday 16-Nov-2021
+1.44%
Chg: +1.00
Last: 70.60
Volume: 0
RSI(14) 70.53
$BPSPX (Daily) 70.60
EMA(8) 69.16
EMA(21) 66.66
Bullish Percent Index
provides you with clean
signals about turns in trends
Sep
Oct
Nov

$BPSPX


$BPNDX Nasdaq 100 Bullish Percent Index INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 66.00
High: 70.00
Low: 66.00
Prev Close: 67.00
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
+4.48%
Chg: +3.00
Last: 70.00
Volume: 0
RSI(14) 60.26
$BPNDX (Daily) 70.00
EMA(8) 68.70
EMA(21) 65.92
Bullish Percent Index
provides you with clean
signals about turns in trends
Sep
Oct
Nov

Nasdaq-100 vs Nasdaq Composite

The Nasdaq Composite tracks the performance of more than 3,000 stocks listed on the Nasdaq while the Nasdaq 100 captures the performance of the exchange's largest non-financial companies.

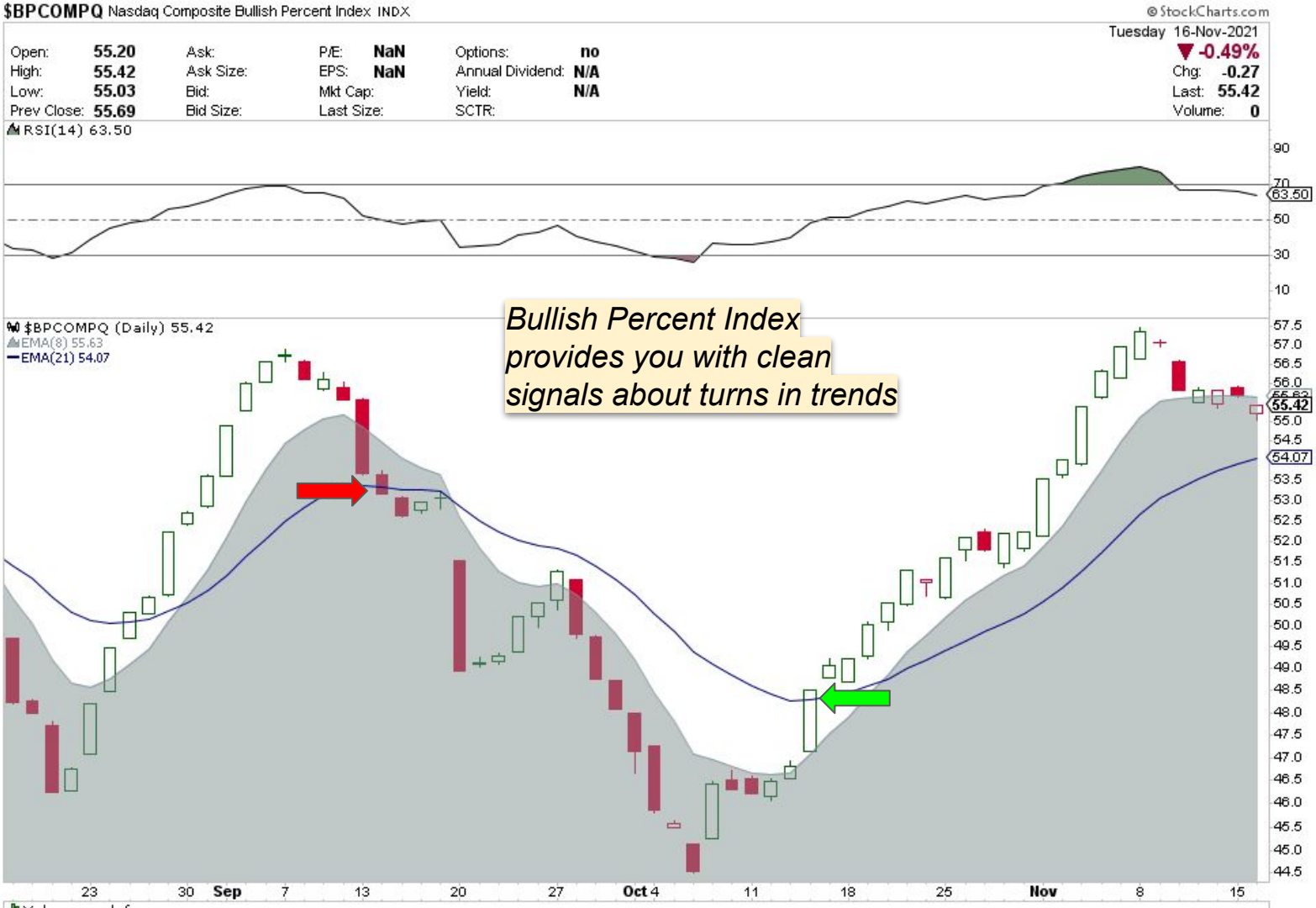
If you trade large well knows caps you may follow only S&P and Nasdaq 100 for clues about upcoming change on trend.

However, if you trade small caps you have to follow Russell - 2000 index and Nasdaq Composite index

$COMPQ

$COMPQ Nasdaq Composite INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 15840.32
High: 15989.61
Low: 15825.00
Prev Close: 15853.85
Ask:
Ask Size:
Bid:
Bid Size:
P/E:
EPS:
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
+0.76%
Chg: +120.01
Last: 15973.86
Volume: 5,445,808,128
RSI(14) 68.32
$COMPQ (Daily) 15973.86
EMA(8) 15825.21
EMA(21) 15583.34
Sep
Oct
Nov

$BPCOMPQ


$BPCOMPQ Nasdaq Composite Bullish Percent Index INDX
©StockCharts.com
Tuesday 16-Nov-2021
Open: 55.20
High: 55.42
Low: 55.03
Prev Close: 55.69
Ask:
Ask Size:
Bid:
Bid Size:
P/E: NaN
EPS: NaN
Mkt Cap:
Last Size:
Options: no
Annual Dividend: N/A
Yield: N/A
SCTR:
-0.49%
Chg: -0.27
Last: 55.42
Volume: 0
RSI(14) 63.50
$BPCOMPQ (Daily) 55.42
EMA(8) 55.63
EMA(21) 54.07
Bullish Percent Index
provides you with clean
signals about turns in trends
Sep
Oct
Nov